

**Supplemental Appeal Brief**

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Dated: March 2, 2009

Electronic Signature for Douglas P. LaLone: /Douglas P. LaLone/

Docket No.: 66735-0001  
(PATENT)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In re Patent Application of:  
Michael L. Derry et al.

Application No.: 10/517,287

Confirmation No.: 4281

Filed: June 11, 2003

Art Unit: 2129

For: LITIGATION COST MANAGEMENT  
SYSTEM

Examiner: W. L. Starks

**SUPPLEMENTAL APPEAL BRIEF**

Mail Stop Appeal Brief-Patents  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Dear Sir:

The Notice of Non-Compliant Appeal Brief dated February 3, 2009, rejected the Appeal Brief filed August 17, 2007, because the "Summary of Claimed Subject Matter" appearing in the Appeal Brief was allegedly deficient. Specifically, the Appeal Brief was rejected because the "Summary of Claimed Subject Matter" did not refer to independent claim 23.

However, Appellants respectfully submit that the original Appeal Brief fully complied with 37 C.F.R. 41.37(c)(1)(v) because independent claim 23 is not involved in the appeal. See page 5, status of the claims, of the originally filed appeal brief. The rule requires "[a] concise explanation of the subject matter defined in each of the independent claims *involved in the appeal*" (37 C.F.R. 41.37(c)(1)(v), emphasis added). Claim 23 was not involved in the appeal, and was therefore not included in the "Summary of Claimed Subject Matter."

Appellants strongly disagree with the Notice of Non-Compliant Appeal Brief. However, in an effort to facilitate the appeal, Appellants have amended the “Summary of Claimed Subject Matter” to address independent claim 23. In addition, the Argument section has been amended to note that claim 23 is not at issue in this appeal. The “Status of Claims” and “Grounds of Rejection to be Reviewed on Appeal” sections both note that claim 23 is not involved in this appeal. No other section of the Appeal Brief has been changed.

This appeal is from the decision of the Primary Examiner dated December 27, 2006 (“Final Office Action”) finally rejecting claims 1-29. A Notice of Appeal under 37 CFR §41.31 was filed on April 24, 2007. This application was filed on November 1, 2002. The initial Appeal Brief was filed on August 17, 2007, and the Examiner’s Answer was filed on November 16, 2007.

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**I. REAL PARTY IN INTEREST**

The real party in interest is Task Value Management, LLC, Assignee, a limited liability company organized and existing under the laws of the state of Michigan, and having a place of business at 6480 Westmoor, Bloomfield Hills, Michigan 48301.

## **II. RELATED APPEALS AND INTERFERENCES**

Applicants (hereinafter “Appellants”) are not aware of any related appeals or interferences that would affect the Board’s decision on the current appeal.

### **III. STATUS OF CLAIMS**

Claims 1-26 are pending. All pending claims were rejected in the Final Office Action under 35 U.S.C. § 102(b) as allegedly anticipated by U.S. Patent No. 6,622,128 to Bedell et al. Claims 1, 19, 21, 22, 23, and 26 are independent claims. Claims 1-22 and 24-26 are the subject of this appeal, and reproduced in an Appendix to this Brief.

**IV. STATUS OF AMENDMENTS**

Appellants did not propose any amendments to this application following the Final Office Action.



## **V. SUMMARY OF CLAIMED SUBJECT MATTER**

The presently claimed invention includes various methods and systems. The following is a concise explanation of the subject matter defined in each of the independent claims involved in the appeal, as required by 37 C.F.R. § 41.37(c)(1)(v). In general, the following explanation is not intended to be used to construe or limit the claims, which are believed to speak for themselves, nor do Appellants intend the following explanation to modify or add any claim elements, or to constitute a disclaimer of any equivalents to which the claims would otherwise be entitled, nor is any discussion of certain preferred embodiments herein intended to disclaim other possible embodiments. References herein to the Specification are intended to be exemplary and not limiting. Reference numbers provided below are reference numbers used in Appellant's Specification and drawings.

### **A. Claim 1**

Claim 1 recites a computer based method that allows a client to control and manage the cost of a lawsuit independent of hourly rates. The method comprises selecting pre-established process maps each consisting of individual tasks to be done in the lawsuit. For example, litigation process maps allow for task value pricing at the outset of a lawsuit in order to establish a budget. (Specification, page 6, lines 9-11.) Exemplary process maps are shown in Appellants' Figures 2-7. The process maps represent the steps involved in a particular task, for example responding to a complaint as shown in Figures 2 and 3, or preparing a cross-complaint as shown in Figures 4 and 5 or the steps for preparing an affidavit as shown in Figures 6 and 7. (Specification, page 10, lines 2-5.) The process maps are placed in a database where they can be called upon at the outset of a case by corporate counsel. (Specification, page 10, lines 6-8.)

The method of claim 1 further comprises setting pricing and value variables for each individual task to be done which eliminates hourly rates in said method. For example, each task in a process map has a value assigned to it so that a budget can be created. (Specification, page 10, lines 8-9.) Further by way of example, Figures 8 and 9 depict screens from the setting pricing variables and defaults module 14 of the cost management system 10 (see Figure 1). Figure 9 shows the baseline of the values in the system 10. The formula used to establish the baseline values could consider factors such as task description, level of expertise, normal hourly rates, time required to

complete a certain task and the value of the task. These baseline values can be changed by adjusting the default values, which is done by going to screen 112 of Figure 8. The default values shown in Figure 8 can be preset for a particular law firm once it is in the system. A formula can be used to compute the default values once a certain firm and type of case is selected. These factors allow for adjustment of the base line numbers in order to generate an accurate budget. Alternatively, individual tasks can be given a set price and they are placed into task value segments which allow for discrete billing. The defaulting values that appear once a firm is selected can be modified by corporate counsel, which adds flexibility to the system. (Specification, page 13, lines 13-26.)

The method of claim 1 further comprises the client establishing a lawsuit budget by individual task which an outside counsel must follow. That is, with reference to Figure 9, corporate counsel may specifically price each particular task 128 in the process map. (Specification, page 15, line 1.)

The method of claim 1 further comprises providing a case status module with real-time information on how the lawsuit is proceeding based upon individual task performed. For example, Figure 17 illustrates a screen output 240 that outside counsel sees which shows the current status of a particular case. From the screen 240, outside counsel can ascertain the amount remaining in the budget 242 and compare that to the original budget. This is presented in a form of a budget and litigation worksheet 244 which summarizes all expenses and fees to date for that particular case. (Specification, page 18, line 24 – page 19, line 2.)

The method of claim 1 further comprises providing a point and click billing module for automatically submitting invoices to the client, the invoices having amounts that equal the value variables for individual tasks that have been pre-established and performed. For example, Figure 18 represents the billing system module 20 which is an automated process that minimizes steps outside counsel must take in order to get paid. The billing system module 20 includes a work performed segment 250 and a web based segment 252, a data center 254, and an accounts payable segment 256. The segments are connected and allow the free transfer of information, such as billing data 258, submission of invoices 260 and payment information 262. (Specification, page 19, lines 3-8.) By way of further example, Figure 19 is a flow diagram showing the steps outside counsel goes through in order to submit invoices to corporate counsel. To start the billing the work performed segment

250, first, the attorney logs into the system and opens the home page 264. Once opened, the attorney selects the matter 266 on which work has been performed, reviews the screen and selects the ABA code 268 for the work that has been completed. The appropriate task segment, or segments, is then selected 270, within a particular ABA code and that represents work that was done on a particular process such as a motion, deposition, etc. Next, the attorney must ascertain whether an additional description 272 is required and if so, an additional description is provided 274. If no additional description is required, then the attorney hits the submit invoice tab 276 and the invoice is then submitted to the client 260. (Specification, page 19, lines 9-19.)

The method of claim 1 further comprises providing an exceptions module to allow for automatic approval or denial of new works amended by outside counsel to be done that is beyond the budget. For example, with reference to Figure 24, the exceptions module 22 provides for modification of the existing case budget when new tasks are to be performed. For example, an unplanned event during the course of litigation may arise as a result of the court sua sponte issuing an order. In such an instance, an exception request 350 would be generated and outside counsel would log on to the system 352, click on the appropriate matter for the exception 354, click the appropriate ABA coded budget item 356 and select a new task 358. It will be appreciated that the value of a task can be modified, for example if it adds an increase in value to a task that is already in the system. Counsel then selects the exception report icon 360 and fills in 362 the appropriate information in the fields and then selects the submit tab 364 for sending the exception request to inside counsel. (Specification, page 21, lines 8-18.)

#### **B. Claim 2**

Claim 2 depends from claim 1, and includes the step of providing statistical reporting to the client, whereby data is stored and statistical information is generated using the data on all outside counsel for exact task a cost comparison. For example, with reference to Figure 1, the statistical reporting module 24 is a tool used by corporate counsel in order to compare requests, current budget, and numerous other information that is stored in the data center to 54. (Specification, page 22, lines 24-26.)

**C. Claim 4**

Claim 4 depends from claim 1, and further recites that the step of creating process maps includes identifying each individual task to be performed in a lawsuit and inputting the level of expertise of the person who will be doing each task. For example, baseline values in the system could consider level of expertise as a factor. (Specification, page 13, lines 15-17.)

**D. Claim 6**

Claim 6 depends from claim 1 and recites that the step of setting price and value variables includes the client in putting upper and lower control limits for each task. For example, each task can have a dollar range associated with it to provide upper and low lower control limits for particular event. (Specification, page 15, line 17-18.)

**E. Claim 8**

Claim 8 depends from claim one and recites that the step of establishing a budget includes the client generating values for each individual task, the client electronically submitting the budget to outside counsel, in the outside counsel either accepting or rejecting the budget by a submission back to the client. For example, Figure 10 illustrates the steps that corporate counsel goes through in order to set up a new case budget. First, in-house counsel ascertains whether the matter is to be sent to outside counsel 150. A decision 152 is made as to whether outside counsel is currently in the system and, if not, it must be placed into the system 154. If they are in the system, then it must be determined 156 which outside counsel to refer the matter to. Once that is done, outside counsel begins the process by starting the cost management software and then clicking on the action items 158 toolbar and selecting a new case budget window 160. Once the window is open, corporate counsel enters pertinent data into the system and then hits the enter budget button 162. Next, corporate counsel reviews the budget details that are created by the defaults 164 and makes a decision 166 as to whether the budget is appropriate and if it is not, then the budget is changed 168. However, if the default budget is appropriate, then the budget is submitted 170 to outside counsel.

Figure 11 illustrates the steps associated with outside counsel reviewing the proposed budget. This is accomplished with outside counsel logging on 172 to the system and selecting the new matter button. Outside counsel now reviews 174 the case budget information and ascertains 176 whether it is acceptable. If it is not acceptable, then modifications 178 can occur or the matter can be declined

180 by outside counsel. However, if the case is accepted, then the budget is submitted back to corporate counsel 182.

Inside counsel now goes to the action items tab and clicks on new case budget responses 184. A decision 186 is then made as to whether outside counsel accepts the original budget, and if not, outside counsel may consider alternative actions such as accepting the modified budget 188, or rejecting the budget modifications 190, or modify the request for budget change 192 or to change outside counsel 194. Alternatively, if the original budget is accepted, then the case is assigned 196 and a budget is established.

**F. Claim 11**

Claim 11 depends from claim 1, and recites that the step of providing a point and click billing module includes inputting the work that has been completed into a computer by clicking an ABA code representative of the work area completed, clicking on the specific pre-approve task that has been performed, clicking on a To billet, and automatically sending a bill via Internet to a client. For example, a screen includes columns that describe the task description utilizing the ABA codes which provide default descriptions of the work to be selected by outside counsel. (Specification, page 17, lines 22-24.)

**G. Claim 19**

Claim 19 recites a client controlled computer-based litigation cost management system that is not hourly based. The system of claim 19 comprises a module operable for inputting data for establishing an actual budget, said module including a feature for inputting values to each task, and a feature for inputting the level of expertise to be used on each task. For example, the system may allow corporate counsel to tailor a default budget for a particular type of case. To modify the default budget, corporate counsel, for example, may hit an ABA task 212 that she wants to modify and a screen pops up. The screen, for example, allows for additional tasks to be added which in turn allows the default budget to generate a new budget specifically designed for a particular case. Specification, page 17, lines 18-21.)

The system of claim 19 further comprises a module for statistically reporting each task to the client to verify if it is in control. For example, the case status module 18 of the system 10 provides various screens 238 for providing information to corporate counsel. By way of example, Figure 16

illustrates a screen 238 that corporate counsel reviews in order to check the status of an existing case within the system 10. From the screen 238, counsel can select specific cases in order to obtain real time information on any particular case the company is monitoring, as long as the data for that case has been put into the system 10. (Specification, page 18, line 17-23.)

The system of claim 19 further comprises an exceptions module that is controlled by the client for accommodating alterations to the budget. For example, with reference to Figure 24, the exceptions module 22 provides for modification of the existing case budget when new tasks are to be performed. For example, an unplanned event during the course of litigation may arise as a result of the court sua sponte issuing an order. In such an instance, an exception request 350 would be generated and outside counsel would log on to the system 352, click on the appropriate matter for the exception 354, click the appropriate ABA coded budget item 356 and select a new task 358. It will be appreciated that the value of a task can be modified, for example if it adds an increase in value to a task that is already in the system. Counsel then selects the exception report icon 360 and fills in 362 the appropriate information in the fields and then selects the submit tab 364 for sending the exception request to inside counsel. (Specification, page 21, lines 8-18.)

#### **H. Claim 21**

Claim 21 recites a client controlled litigation cost management system. The system of claim 21 comprises a module that maps out in detail the tasks, decision points and the litigation variables for the process of litigation. For example, with reference to Figure 1, a process maps module 12 may be used to create litigation process maps that allow for task value pricing at the outset of a lawsuit in order to establish a budget. (Specification, page 6, lines 9-11.) Exemplary process maps are shown in Appellants' Figures 2-7. The process maps represent the steps involved in a particular task, for example responding to a complaint as shown in Figures 2 and 3, or preparing a cross-complaint as shown in Figures 4 and 5 or the steps for preparing an affidavit as shown in Figures 6 and 7. (Specification, page 10, lines 2-5.) The process maps are placed in a database where they can be called upon at the outset of a case by corporate counsel. (Specification, page 10, lines 6-8.)

The system of claim 21 further comprises a module for assigning dollar values to each task of the process. That is, with reference to Figure 9, corporate counsel may specifically price each particular task 128 in the process map. (Specification, page 15, line 1.)

The system of claim 21 further comprises a module for inputting pre-approved dollar values for each task to be charged by counsel. For example, Figures 8 and 9 illustrate screen outputs from the pricing variable/defaults module 14 that corporate counsel will see when it enters the case information into the system. With respect to Figure 8, the inside counsel will see a screen 112 with a general tab, a default values tab and a history tab. When the default value tab 114 is selected, values 116 are already preset in the firm location, type of case, lawyer category, firm tier level and other categories 118. These values can be changed by corporate counsel if the defaults are not acceptable. (Specification, page 14, lines 2-9.)

The system of claim 21 further comprises a module for imputing<sup>1</sup> [sic] other information. For example, also disclosed are a case budget module 16, a case status module 18, automated billing system module 20, an exceptions module 22, a statistical reporting module 24, and an incentives module 26.

#### **I. Claim 22**

Claim 22 recites a cost control and management system for assisting in-house counsel in reducing litigation cost. The system of claim 22 comprises a real-time analysis module that is operable to inform in-house counsel in reducing litigation cost. For example, the case status module 18 of the system 10 provides various screens 238 for providing information to corporate counsel. Figure 16 illustrates a screen 238 that corporate counsel reviews in order to check the status of an existing case within the system 10. From the screen 238, counsel can select specific cases in order to obtain real time information on any particular case the company is monitoring, as long as the data for that case has been put into the system 10. (Specification, page 18, line 17-22.)

The system of claim 22 further comprises a real-time budget and cost to complete module that is created by in-house counsel. That is, with reference to Figure 9, corporate counsel may specifically price each particular task 128 in the process map. (Specification, page 15, line 1.) For example, Figure 17 illustrates a screen output 240 that outside counsel sees which shows the current status of a particular case. From the screen 240, outside counsel can ascertain the amount remaining in the budget 242 and compare that to the original budget. This is presented in a form of a budget

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<sup>1</sup> In several places in the claims, the word “imputing” was used where the word “inputting” was clearly intended. Although amendments were made to correct this error in certain places, it was overlooked in claim 21. Appellants will seek to make appropriate correction of this error when this appeal is complete.

and litigation worksheet 244 which summarizes all expenses and fees to date for that particular case. (Specification, page 18, line 24 – page 19, line 2.)

The system of claim 22 further comprises an exception module that is operable to permit outside counsel to request to modify the budget when a task outside of the budget arises, said in-house counsel being operable to deny said request, if the request is approved, the budget is revised. For example, with reference to Figure 24, the exceptions module 22 provides for modification of the existing case budget when new tasks are to be performed. For example, an unplanned event during the course of litigation may arise as a result of the court sua sponte issuing an order. In such an instance, an exception request 350 would be generated and outside counsel would log on to the system 352, click on the appropriate matter for the exception 354, click the appropriate ABA coded budget item 356 and select a new task 358. It will be appreciated that the value of a task can be modified, for example if it adds an increase in value to a task that is already in the system. Counsel then selects the exception report icon 360 and fills in 362 the appropriate information in the fields and then selects the submit tab 364 for sending the exception request to inside counsel.

(Specification, page 21, lines 8-18.)

#### **J. Claim 23**

Claim 23 recites a point and click litigation cost management system that is created and then controlled by a customer. The system of claim 23 comprises an input module for entering work that has been completed by a firm and generating an invoice, and a transfer device for communicating the invoice to the customer. For example, Figure 18 represents the billing system module 20, which is an automated process that minimizes steps outside counsel must take in order to get paid. Billing system module 20 includes a work performed segment 250 and a web based segment 252, a data center 254, and an accounts payable segment 256. The segments are connected and allow the free transfer of information, such as billing data 258, submission of invoices 260 and payment information 262. (Specification, page 19, lines 3-8.) By way of further example, Figure 19 is a flow diagram showing the steps outside counsel goes through in order to submit invoices to corporate counsel. To start the billing the work performed segment 250, first, the attorney logs into the system and opens the home page 264. Once opened, the attorney selects the matter 266 on which work has been performed, reviews the screen and selects the ABA code 268 for the work that has been



completed. The appropriate task segment, or segments, is then selected 270, within a particular ABA code and that represents work that was done on a particular process such as a motion, deposition, etc. Next, the attorney must ascertain whether an additional description 272 is required and if so, an additional description is provided 274. If no additional description is required, then the attorney hits the submit invoice tab 276 and the invoice is then submitted to the client 260. (Specification, page 19, lines 9-19.) By way of further example with reference to Figure 19, the web segment 252 is the porthole through which a particular law firm transmits its billing data to the company's data center 254. (Specification, page 20, lines 9-10.)

The system of claim 23 further comprises a processing department operated by the customer that is operable to receive the invoice from the transfer device. For example with reference to Figure 19, outside counsel's accounting system 282 is capable of communicating via internet or some other electronic transfer means, for example satellite, to the company's accounting system 276. Thus, real time payment information 262 flows between the company and outside counsel, allowing either to have accurate information on payment status. (Specification, page 19, line 26 – page 20, line 3.)

The system of claim 23 further comprises a means for transmitting payment information to a firm. For example with reference to Figure 18, the billing system module 20 includes a work performed segment 250 and a web based segment 252, a data center 254, and an accounts payable segment 256. The segments are connected and allow the free transfer of information, such as billing data 258, submission of invoices 260 and payment information 262. (Specification, page 19, lines 3-8.) By way of further example with reference to Figure 19, the web segment 252 is the porthole through which a particular law firm transmits its billing data to the company's data center 254, and it receives payment information 262 back from the data center 254. (Specification, page 20, lines 9-11.)

#### **K. Claim 26**

Claim 26 recites a system of a law firm and corporate counsel managing the cost of litigation for a case. The system of claim 26 comprises the corporate counsel generating an actual working budget based on defaults and price variables. For example, each task in a process map has a value assigned to it so that a budget can be created. (Specification, page 10, lines 8-9.) Further by way of example, Figures 8 and 9 depict screens from the setting pricing variables and defaults module 14 of

the cost management system 10 (see Figure 1). Figure 9 shows the baseline of the values in the system 10. The formula used to establish the baseline values could consider factors such as task description, level of expertise, normal hourly rates, time required to complete a certain task and the value of the task. These baseline values can be changed by adjusting the default values, which is done by going to screen 112 of figure 8. The default values shown in Figure 8 can be preset for a particular law firm once it is in the system. A formula can be used to compute the default values once a certain firm and type of case is selected. These factors allow for adjustment of the base line numbers in order to generate an accurate budget. Alternatively, individual tasks can be given a set price and they are placed into task value segments which allow for discrete billing. The defaulting values that appear once a firm is selected can be modified by corporate counsel, which adds flexibility to the system. (Specification, page 13, lines 13-26.)

The system of claim 26 further comprises the actual budget being electronically submitted to a law firm. For example, Figure 12 illustrates the screen 198 the in-house counsel sees at the step of submitting the budget 170. The exemplary budget worksheet identifies in fields the particular name of the plaintiff 200, the date of the purported injury 202, the location of the lawsuit 204, the name of the outside counsel 206 that has been identified in step 156 as the proposed counsel, the date the complaint was filed 208 and the type of case that is at issue 210.

The system of claim 26 further comprises the budget being improved, rejected or modified by the law firm. For example, Figure 13 illustrates the screen 220 seen by outside counsel once the budget has been submitted to him. Outside counsel can accept or reject or revise the budget. If they wish to revise the budget, they go to screen 222 (Fig. 14) and click on the proper ABA code, adjust the quantity of the process to be performed and the system 10 changes the pricing once the screen 222 is closed. Next the new budget numbers are reflected on the bottom of the screen 220 of figure 13. The submit button is then pressed and inside counsel sees screen 226 of Figure 15 which shows the changes that were made to the original budget. When this process is completed, corporate counsel closes screen 226, which causes the budget to be finalized. (Specification, page 18, lines 1-10.)

The system of claim 26 further comprises the case proceeding based upon an agreed-upon budget. For example, Figure 17 illustrates a screen output 240 that outside counsel sees which

shows the current status of a particular case. From the screen 240, outside counsel can ascertain the amount remaining in the budget 242 and compare that to the original budget. This is presented in a form of a budget and litigation worksheet 244 which summarizes all expenses and fees to date for that particular case. (Specification, page 18, line 24 - page 19, line 2.)

The system of claim 26 further comprises the law firm electronically requesting exceptions when a task is outside of the agreed-upon actual budget, said corporate counsel either accepting or rejecting the exceptions. For example, Figure 15 illustrates a screen 226 that inside counsel sees once the new proposed budget is sent from outside counsel. The original budget 228 is illustrated next to the new budget 230. Inside counsel can accept 232, modify 234 or reject 236 the budget and resend it to outside counsel. The budget can be adjusted by going back into a screen similar to that shown in Figure 14. After the adjustments are made, the revised budget can be resent to outside counsel. (Specification, page 18, lines 11-16.)

**VI. GROUND OF REJECTION TO BE REVIEWED ON APPEAL**

1. That claims 1-22 and 24-26 are anticipated by United States Patent Number 6,622,128 ("Bedell").

## **VII. ARGUMENT**

Bedell does not teach or suggest numerous elements of Appellants' claims. Bedell discloses "[a] process by which litigation or legal billing may be both recorded and monitored in conjunction with budgetary constraints." (Bedell, Abstract.) Bedell more specifically discloses accounting "for time and fees according to work products," thereby eliminating "disconnected chronologies of activity and time itemizations in bills." (Bedell, column 11, lines 58-60.) In the system of Bedell, a "work product" may include "a series or combination of activities and work components that support or make up the work product." (Bedell, column 11, lines 64-67.) Bedell "specifically avoids task number coding" and is instead "based on the segmentation, identification and time management of the individual work products which combine to make up a whole legal case." (Bedell, column 12, lines 1-4.) In contrast to Bedell, various of Appellants' claims provide for tracking litigation costs on an hourly basis, identifying and budgeting according to individual tasks in a process map, and dealing with exceptions in a litigation budget. As discussed in more detail below, Bedell does not teach or suggest – and in many cases teaches away from – these and many other elements of Appellants' claims.

### **A. Independent Claim 1 and Dependent Claims 2-18 (Ground of Rejection No. 1)**

#### **1. Claim 1: "selecting pre-established process maps each consisting of individual tasks to be done in the lawsuit"**

Claim 1 recites "selecting pre-established process maps each consisting of individual tasks to be done in the lawsuit." In the Final Office Action (pages 2-3), the Examiner contended that Bedell's disclosure of tracking "work products" reads on the foregoing recitation of claim 1. For at least either of the reasons set forth in the following two sections of this Brief, the Examiner's contention is misplaced. Bedell teaches at most establishing a single "work product" at a time, and in no way teaches or suggests selecting from pre-established work products. Moreover, even if Bedell did teach or suggest selecting from pre-established work products, Bedell in no way teaches or suggests "process maps each consisting of individual tasks to be done in the lawsuit."

#### **a. "pre-established process maps"**

As explained in Appellants' Specification (page 10) "process maps represent the steps involved in a particular task, for example responding to a complaint." Accordingly, claim 1 recites "process maps each consisting of individual tasks to be done in the lawsuit." Bedell, in contrast,

discloses at most tracking “information regarding the various work product tasks and events for a lawsuit.” (Bedell, column 24, lines 28-29.) Bedell does not teach or suggest any process maps, or any representation of the steps involved in a particular task, relating to “individual tasks to be done in the lawsuit.” For example, Bedell’s Figure 8 lists a set of “main work products.” Bedell’s Figures 9 and 10 list activities and supporting components that may be related to work products. However, nowhere does Bedell teach or suggest organizing or associating activities and supporting components with a work product so as to create or in any way pre-establish a process map.

In fact, Bedell’s Figure 25 shows that a time entry for a particular work product is identified by a particular activity and supporting work or component only after the an attorney has done the work related to the work product, that is, only after steps related to the work product have been carried out. Therefore, Bedell teaches away from “pre-established process maps” because one of ordinary skill would have seen that “pre-established process maps” would have been pointless in the system of Bedell.

Reference to one of the exemplary process maps included in Appellants’ Specification will more clearly define the differences between “pre-established process maps” and Bedell’s disclosure of tracking work product. For example, Appellants’ Figure 2 shows a process map for responding to a complaint in a lawsuit. The illustrated process map shows steps that may be necessary to respond to a complaint, thereby allowing for estimates of fees and expenses to be associated with each step. As illustrated in Bedell’s Figure 25 and elsewhere, Bedell allows at most budgeting to occur for a work product, and such budgeting does not take into account or provide in any way for individual tasks in the work product. That is, because Bedell does not include process maps, unlike the presently claimed invention, Bedell does not allow a user to prepare budget estimates according to steps needed to complete a task. In sum, Bedell simply does not include “pre-established process maps” or any analog therefor.

Accordingly, at least because Bedell does not teach or suggest “pre-established process maps” at all, claim 1, as well as claims 2-18 depending therefrom, are in condition for allowance.

**b. “selecting pre-established process maps”**

Bedell not only fails to teach or suggest “pre-established process maps,” but further does not teach or suggest anything even analogous to “selecting pre-established process maps.” At most,

Bedell teaches that a user may select from a list of work products, and may then manually associate various activities and components with such work products. (See, e.g., Bedell, Figures 8-10.) Thus, Bedell provides no opportunity to select any object even remotely analogous to a process map as recited in claim 1, because even if such an object existed in Bedell's system, which it does not, it clearly could not be "pre-established" or "selected." Further, as discussed above, such association is performed only after an activity related to the work product has been performed. Bedell includes no teaching or suggestion of allowing a user to form "pre-established process maps."

Accordingly, at least because Bedell does not teach or suggest "selecting pre-established process maps" at all, claim 1, as well as claims 2-18 depending therefrom, are in condition for allowance.

**2. Claim 1: "setting pricing and value variables for each individual task to be done which eliminates hourly rates in said method"**

Claim 1 recites "setting pricing and value variables for each individual task to be done which eliminates hourly rates in said method." The Examiner contended that this recitation was anticipated by Bedell's background disclosure that insurance "companies started producing guidelines in two segments, one part for the handling of a lawsuit, the other to directly address billing parameters and tolerances." (Final Office Action, page 3, quoting Bedell, column 9, lines 32-50.) However, this portion of Bedell simply makes a general disclosure that insurance companies have provided guidelines concerning litigation costs. Bedell's general background disclosure does not in any way anticipate the foregoing recitation of claim 1, as discussed in more detail in the next three sections of this Appeal Brief.

**a. "setting pricing and value variables . . ."**

Bedell provides no teaching or suggestion of "setting pricing and value variables for each individual task to be done." In fact, the portion of Bedell quoted by the Examiner provides no more than a general discussion of "billing parameters and tolerances." There is no discussion in Bedell of "pricing and value variables" at all. Further, even if Bedell's "billing parameters and tolerances" were somehow analogous to "pricing and value variables," which they are not, Bedell includes no teaching or suggestion concerning "setting pricing and value variables for each individual task." At most, Bedell discloses budgeting for "work products" but not for individual tasks within a work product. (See Bedell, column 12, lines 17-18.) In fact, while Bedell discloses that "all component

parts” of a work product should be considered, Bedell is very clear that it’s “Estimated Fees box” only “allows the user to supply an estimate of the amount of fees that will result from completing [the] entire work product.” (*Id.*, column 27, lines 54-56.) Therefore, not only does Bedell not teach or suggest “setting pricing and value variables for each individual task,” but one of ordinary skill would have thought that any attention to individual tasks making up Bedell’s work product would have been unnecessary. Bedell therefore actually teaches against the foregoing recitation in claim 1.

For at least these reasons, claim 1 is patentable over Bedell, as are claims 2-18, depending from claim 1.

**b. “... which eliminates hourly rates in said method”**

Bedell cannot teach or suggest a method “which eliminates hourly rates” because Bedell clearly and repeatedly teaches recording and billing for work performed according to hourly rates of attorneys and staff assigned to a case. (See, e.g., Bedell, Figures 15, 16, 17, 23, 24, 25, 26, 29, 30, and 35.) Significantly, the Examiner appears to have wholly failed to address this recitation in claim 1, which in any event is not taught or suggested by Bedell. In fact, Bedell’s repeated references to hourly rates plainly teaches against the foregoing recitation of claim 1.

Appellants note that in their paper dated December 22, 2006, they argued that their invention “does not even allow the number of hours worked to be input into or even considered by the system.” The Examiner responded that “[t]his feature is not claimed by Applicant, and therefore the argument is moot.” (Final Office Action, page 30.) However, Appellants’ December 22, 2006 paper clearly amended claim 1 to include the words “which eliminates hourly rates in said method.” Accordingly, the Examiner’s rejection of claim 1 should be reversed at least because the Examiner has simply ignored a clearly recited feature in the claim.

The Examiner also pointed to element 350 of Bedell’s Figure 4 as allegedly demonstrating that Appellants erred “in asserting that the prior art exclusively relies upon hourly rates.” (Final Office Action, page 30.) However, that portion of Bedell is simply a decision box in a process flow wherein it is determined whether a user is recording time or expense information. Expense information, as is clear, e.g., from Bedell’s Figures 31-34, relates to out-of-pocket expenses incurred by a legal provider. Accordingly, as shown in, e.g., Bedell’s Figure 34, a case summary includes fees to date and expenses to date, which sum to total costs to date. (See also Bedell, column 43,



lines 34-36.) Bedell's "expenses" are clearly "expenses" in the conventional sense, i.e., out-of-pocket costs incurred by a services provider, and have nothing to do with fees charged by the services provider for services provided. Thus, Bedell's Figure 4 simply reinforces that the only possible manner of billing for work contemplated by Bedell is according to hourly rates.

In sum, the Examiner's rejection of claim 1 should be reversed at least because Bedell teaches tracking and billing according to hourly rates, and thereby teaches against "pricing and value variables for each individual task to be done which eliminates hourly rates and said method." Similarly, the rejections of claims 2-18, depending from claim 1, should be reversed for at least this reason.

**c. The Examiner has made an unwarranted combination of disparate teachings alleged in Bedell.**

Even if the cited portion of Bedell were relevant to Appellants' claims, the Examiner has neglected to provide any explanation as to how Bedell's admitted prior art could be combined with the system disclosed in Bedell in order to produce Appellants' claimed structure. That is, Bedell's disclosure of "guidelines . . . to directly address billing parameters and tolerances" is made in Bedell's background section, and a discussion of prior art. Therefore, the Examiner should have explained how this prior art could have been combined with Bedell's disclosed system. The Examiner's rejection of claim 1 should be reversed at least because the Examiner has not met the burden of demonstrating that Bedell's disclosed prior art could have been combined with Bedell's disclosed system. Further, such combination would not have been apparent to one of ordinary skill, and the rejection of claim 1 should be reversed for at least this reason.

Bedell in fact teaches that "guidelines . . . to directly address billing parameters and tolerances" are ineffective, and should be replaced by the system disclosed therein. Accordingly, even if the disclosed "guidelines . . . to directly address billing parameters and tolerances" did anticipate the "pricing and value variables" recited in claim 1, one of ordinary skill would have thought such guidelines inappropriate in the context of Bedell's disclosed system. For at least this further reason, the present rejection of claim 1, as well as of claims 2-18 depending therefrom, should be reversed.

**3. Claim 1: “providing a case status module with real-time information on how the lawsuit is proceeding based upon individual task performed”**

Claim 1 recites “providing a case status module with real-time information on how the lawsuit is proceeding based upon individual task performed.” The Examiner asserted that Bedell anticipated the foregoing recitation of claim 1 with its background disclosure that “instructing attorneys to provide a 30-day status report will bring a one-line, ‘nothing to report’ letter from one attorney and a 12-page dissertation from another on virtually the same case.” (Final Office Action, page 4, quoting Bedell, column 8, lines 55-59.) However, the cited portion of Bedell plainly discloses a manual instruction to provide a report, and manual responses thereto, and thus in no way teaches or suggests “a case status module.” Further, Bedell does not include any teaching or suggestion of “real-time information,” much less “real-time information on how the lawsuit is proceeding based upon individual task performed.” For at least this further reason, the present rejection of claim 1, as well as of claims 2-18 depending therefrom, should be reversed.

**4. Claim 1: “providing an exceptions module to allow for automatic approval or denial of new works submitted by outside counsel to be done that is beyond the budget”**

Claim 1 recites “providing an exceptions module to allow for automatic approval or denial of new works submitted by outside counsel to be done that is beyond the budget.” The Examiner asserted that Bedell anticipates the foregoing recitation in its teaching that “[t]he system prohibits forced distribution of work products or activity description so that data and communicative characteristics are accurate and maximized.” (Final Office Action, page 5, quoting Bedell, column 12, lines 7-10.) In fact, Bedell does not teach or suggest any “exceptions module” at all. The portion of Bedell cited by the Examiner clearly states no more than that the disclosed system does not allow a user to force descriptions of “work products or activity” based on rote “task number coding,” thereby maintaining the accuracy of data entered into Bedell’s system. That is, Bedell teaches no more than restrictions on data entry that provide no suggestion whatsoever concerning “approval or denial of new works.”

Appellants’ respectfully submit that a prohibition against distributing rote descriptions of “work products or activity” does not in any way teach or suggest “an exceptions module to allow for automatic approval or denial of new works submitted by outside counsel to be done that is beyond

the budget.” In fact, Bedell’s teachings are irrelevant to Appellants’ foregoing claim limitation. Bedell simply does not include any teaching or suggestion of “automatic approval or denial of new works submitted by outside counsel.” At most, Bedell teaches submission of invoices that may be compared to a budget. (See, e.g., Bedell, Figure 34.) Further, Bedell does not include any teaching or suggestion concerning approving or denying “new works . . . to be done that is beyond the budget.” For at least these reasons, the present rejection of claim 1, as well as of claims 2-18 depending therefrom, should be reversed.

**5. Claim 2 (Ground of Rejection No. 1)**

Claim 2 recites “providing statistical reporting to the client, whereby data is stored and statistical information is generated using the data on all outside counsel for exact task cost comparison.” The Examiner contended that the foregoing recitation of claim 2 is taught by Bedell’s disclosure that one or more databases may be accessed over the Internet. (Final Office Action, pages 5-6.) As the Examiner noted, Bedell further discloses that “databases of several cases can be bundled together to provide a more comprehensive database.” (*Id.*, citing Bedell, column 15, lines 1-5.) However, the mere fact that data for multiple cases can be provided together in no way teaches or suggests that “statistical information is generated using the data on all outside counsel,” much less that the data is used “for exact cost comparison.” The Examiner has simply failed to address these requirements of claim 2, and moreover these requirements of claim 2 are nowhere taught or suggested in Bedell.

For at least these reasons, claim 2 is separately patentable, and the present rejection of claim 2 should be reversed.

**6. Claim 4 (Ground of Rejection No. 1)**

Claim 4 recites that “the step of creating process maps includes identifying each individual task to be performed in the lawsuit in inputting the level of expertise of the person who will be doing each task.” The Examiner contended that Bedell disclosed this recitation of claim 4 by its disclosure of a “work product.” As noted above, Bedell discloses that a “work product” that may include “a series or combination of activities and work components that support or make up the work product.” (Bedell, column 11, lines 64-67.) However, Bedell does not disclose identifying each activity or component or “a series or combination of activities and work components that support or make up

the work product.” In fact, Bedell appears to teach against such identifying because its method “specifically avoids task number coding” and is instead “based on the segmentation, identification and time management of the individual work products which combine to make up a whole legal case.” (Bedell, column 12, lines 1-4.) That is, one of ordinary skill upon reading Bedell would have seen no need for “identifying each individual task to be performed in a lawsuit” because Bedell teaches tracking “work product” in a way that would obviate the need for such identifying.

For at least these reasons, claim 4 is separately patentable, and the present rejection of claim 4 should be reversed.

**7. Claim 6 (Ground of Rejection No. 1)**

Claim 6 recites that “the step of setting price and value variable [sic] includes the client and putting upper and lower control limits for each task.” The Examiner contended (Final Office Action, page 8) that the foregoing recitation of claim 6 was anticipated by Bedell’s background disclosure of “address[ing billing] parameters intolerances.” However, this general disclosure includes no teaching or suggestion of “upper and lower control limits” as required by claim 6, much less “upper and lower control limits for each task.” For least this reason, claim 6 is separately patentable, and the present rejection of claim 6 should be reversed.

**8. Claims 8-9 (Ground of Rejection No. 1)**

Claim 8 recites that “the step of establishing a budget includes the client generating values for each individual task, the client electronically submitting the budget to outside counsel, and the outside counsel either accepting or rejecting the budget by submission back to the client.” To the extent that Bedell contemplates a budgeting process, Bedell clearly suggests that such budgeting process is carried out by law firm counsel, and not corporate counsel. For example, Bedell teaches that “most carriers and/or clients prefer to have an overall estimate of the legal fees the firm estimates will be incurred.” (Bedell, column 20, lines 47-49; emphasis added.) Thus, Bedell teaches that it is desirable to have law firm counsel generate any budgeting information, and therefore teaches against “the client generating values for each individual task” and “the client electronically submitting the budget to outside counsel.” For least these reasons, claim 8 is separately patentable and the present rejection of claim 8 should be reversed. The rejection of claim 9 should be reversed at least by reason of the dependence of claim 9 from claim 8.

**9. Claim 11 (Ground of Rejection No. 1)**

Claim 11 recites that “inputting the work that has been completed into computer by clicking an ABA code representative of the work area completed, clicking on the specific pre-approved task that has been performed, clicking on a tab to bill it, and automatically sending the bill via internet to a client.” As the Examiner noted repeatedly in the Final Office Action, Bedell teaches that its method “specifically avoids task number coding.” (Bedell, column 12, line 1.) Accordingly, Bedell plainly teaches away from the foregoing recitation of claim 11. Claim 11 is separately patentable, and the rejection of claim 11 should be reversed at least for this reason.

**B. Independent Claim 19 and Dependent Claim 20 (Ground of Rejection No. 1)**

**1. Claim 19: “a feature for inputting values to each task”**

Independent claim 19 recites in part “a module operable for inputting data for establishing an actual budget, said module including a feature for inputting values to each task.” The Examiner contended that Bedell disclosed this recitation of claim 19 by its disclosure of “work product,” where, as noted above, a “work product” may include “a series or combination of activities and work components that support or make up the work product.” (Bedell, column 11, lines 64-67.) However, Bedell does not include any feature for inputting values with respect to any activity or work component or “series or combination of activities and work components that support or make up the work product.” At most, as discussed above, Bedell includes the ability to input values with respect to a work product as a whole, or with respect to hourly billing toward a work product. Therefore, Bedell cannot teach or suggest “a feature for inputting values to each task” as required by claim 19.

In fact, the manner in which Bedell teaches that a work product should be tracked teaches against “a feature for inputting values to each task” as required by claim 19. As noted by the Examiner (Final Office Action, page 16) and as discussed above, the method of Bedell “specifically avoids task number coding” and is instead “based on the segmentation, identification and time management of the individual work products which combine to make up a whole legal case.” (Bedell, column 12, lines 1-4.) Further, as noted above in the discussion of claim 1, Bedell’s entire focus is on hourly billing. Therefore, one of ordinary skill would have thought that “inputting values” with respect to activities or work components supporting or making up a work product

would have been pointless in the context of Bedell's system, which tracks time for individual tasks only on an hourly basis and only after such time is incurred.

For at least these reasons, the present rejection of claim 19, as well as of claim 20 depending therefrom, should be reversed.

**2. Claim 19: "an exceptions module that is controlled by the client for accommodating alterations to the budget"**

Independent claim 19 recites in part "an exceptions module that is controlled by the client for accommodating alterations to the budget." The Examiner asserted that Bedell anticipates the foregoing recitation in its of imposing "budgetary constraints" on "litigation or legal billing." (Final Office Action, page 17, quoting Bedell, Abstract.) In fact, as discussed above with respect to claim 1, Bedell does not teach or suggest any "exceptions module" at all, much less "an exceptions module that is controlled by the client for accommodating alterations to the budget." In fact, the portion of Bedell cited by the Examiner clearly states no more than that "[f]inancial expectations (in the form of budget guidelines) . . . can be continuously kept in mind." (Bedell, Abstract.) That is, Bedell teaches no more than the ability to monitor conformance to a budget, but provides no teaching or suggestion at all of "an exceptions module that is controlled by the client," much less "an exceptions module . . . for accommodating alterations to the budget."

For at least these reasons, the present rejection of claim 19, as well as of claim 20 depending therefrom, should be reversed.

**C. Independent Claim 21 (Ground of Rejection No. 1)**

**1. Claim 21: "a module that maps out in detail the tasks, decision points and litigation variables for the process of litigation"**

Independent claim 21 recites in part "a module that maps out in detail the tasks, decision points and litigation variables for the process of litigation." Bedell does not teach or suggest any "module that maps out in detail" any aspect of "the process of litigation." The portion of Bedell cited by the Examiner (see Final Office Action, page 18) discusses "pre-defined utilization lists of probable work products," which are wholly irrelevant to the "module that maps" as recited in claim 21. Bedell teaches no more than listing possible tasks that may be the basis for a legal bill. For example, Bedell's Figure 8 lists a set of "main work products." Bedell's Figures 9 and 10 list activities and supporting components that may be related to work products. As illustrated in

Bedell's Figure 25 and elsewhere, Bedell allows at most budgeting to occur for a work product, and such budgeting does not take into account or provide in any way for individual tasks in the work product, much less performing any "map[ping] out in detail." In sum, nowhere does Bedell teach or suggest mapping out in detail such tasks, much less does Bedell have any teaching or suggestion at all with respect to "decision points" or "litigation variables."

In fact, as noted above with respect to claim 1, Bedell's Figure 25 shows that a time entry for a particular work product is identified by a particular activity and supporting work or component only after the an attorney has done the work related to the work product, that is, only after steps related to the work product have been carried out. Therefore, Bedell teaches away from "a module that maps out in detail the tasks, decision points and litigation variables for the process of litigation" because one of ordinary skill would have seen that the mapping performed by such a module would have been pointless in the system of Bedell.

For at least these reasons, the rejection of claim 21 should be reversed.

**2. Claim 21: "a module for assigning dollar values to each task of the process"**

**a. "a module for assigning dollar values to each task of the process"**

Independent claim 21 recites in part "a module for assigning dollar values to each task of the process." However, Bedell teaches at most providing estimates of hourly fees to overall work products, and does not in any way teach or suggest "assigning dollar values to each task of the process." In fact, the portion of Bedell quoted by the Examiner provides no more than a general discussion of "billing parameters and tolerances." Even if Bedell's "billing parameters and tolerances" were somehow analogous to "assigning dollar values," which they are not, Bedell includes no teaching or suggesting concerning "assigning dollar values to each task." At most, Bedell discloses budgeting for "work products" but not for individual tasks within a work product. (See Bedell, column 12, lines 17-18.) In fact, while Bedell discloses that "all component parts" of a work product should be considered, Bedell is very clear that it's "Estimated Fees box" only "allows the user to supply an estimate of the amount of fees that will result from completing [the] entire work product." (*Id.*, column 27, lines 54-56.) Therefore, not only does Bedell not teach or suggest "assigning dollar values to each task of the process," but one of ordinary skill would have thought that any attention to individual tasks making up Bedell's work product would have been

unnecessary. Thus, Bedell actually teaches against “a module for assigning dollar values to each task of the process.”

For at least these reasons, the rejection of claim 21 should be reversed.

**b. The Examiner has made an unwarranted combination of disparate teachings alleged in Bedell.**

As discussed above with respect to claim 1, even if the cited portion of Bedell were relevant to Appellants’ claims, the Examiner has neglected to provide any explanation as to how Bedell’s admitted prior art could be combined with the system disclosed in Bedell in order to produce Appellants’ claimed structure. That is, Bedell’s disclosure of “guidelines . . . to directly address billing parameters and tolerances” is made in Bedell’s background section, and a discussion of prior art. Therefore, the Examiner should have explained how this prior art could have been combined with Bedell’s disclosed system. The Examiner’s rejection of claim 1 should be reversed at least because the Examiner has not met the burden of demonstrating that Bedell’s disclosed prior art could have been combined with Bedell’s disclosed system. Further, such combination would not have been apparent to one of ordinary skill, and the rejection of claim 21 should be reversed for at least this further reason.

**3. Claim 21: “a module for inputting pre-approved dollar values for each task to be charged by counsel”**

Independent claim 21 recites in part “a module for inputting pre-approved dollar values for each task to be charged by counsel.” The Examiner contended that Bedell’s “Navigation Bar” reads on the foregoing module. (Final Office Action, page 19.) However, none of the six buttons in the Navigation Bar have anything to do with “inputting pre-approved dollar values for each task to be charged by counsel.” (See Bedell, column 19, lines 13-33.) Further, Bedell does not appear to have any teaching or suggestion of any interface or module whereby a user may input “pre-approved dollar values” of any kind, much less “pre-approved dollar values for each task to be charged by counsel.” For at least this further reason, the rejection of claim 21 should be reversed.



**D. Independent Claim 22 (Ground of Rejection No. 1)****1. Claim 22: “a real-time analysis module that is operable to inform in-house counsel in reducing litigation cost”**

Independent claim 22 recites in part “a real-time analysis module that is operable to inform in-house counsel in reducing litigation cost.” The Examiner asserted that Bedell anticipated the foregoing recitation of claim 22 with its background disclosure that “instructing attorneys to provide a 30-day status report will bring a one-line, ‘nothing to report’ letter from one attorney and a 12-page dissertation from another on virtually the same case.” (Final Office Action, page 20, quoting Bedell, column 8, lines 55-59.) However, the cited portion of Bedell plainly discloses a manual instruction to provide a report, and manual responses thereto, and thus in no way teaches or suggests “a real-time analysis module.” Further, Bedell does not include any teaching or suggestion of “real-time analysis,” much less “a real-time analysis module that is operable to inform in-house counsel in reducing litigation cost.” At most, Bedell discloses allowing viewing of “detailed legal bills for completed work products that have been pre-communicated to clients['] carriers.” (Bedell, column 12 lines 22-25.) For at least this reason, the present rejection of claim 22 should be reversed.

**2. Claim 22: “a real-time budget and cost to complete module that is created by in-house counsel”**

Independent claim 22 recites in part “a real-time budget and cost to complete module that is created by in-house counsel.” The Examiner asserted that Bedell anticipates the foregoing recitation in its of imposing “budgetary constraints” on “litigation or legal billing.” (Final Office Action, page 20, quoting Bedell, Abstract.) However, the portion of Bedell cited by the Examiner clearly states no more than that “[f]inancial expectations (in the form of budget guidelines) . . . can be continuously kept in mind.” (Bedell, Abstract.) That is, Bedell teaches no more than the ability to monitor conformance to a budget, but provides no teaching or suggestion at all of “an exceptions module that is controlled by the client,” much less “an exceptions module . . . for accommodating alterations to the budget.” Bedell includes no teaching or suggestion of a module providing for input by in-house counsel, much less “a real-time budget and cost to complete module.” Indeed, as noted above, Bedell teaches budgeting by law firm counsel and teaches away from budgeting by in-house counsel. For at least these further reasons, the rejection of claim 22 should be reversed.

**3. Claim 22: “an exception module that is operable to permit outside counsel to request to modify the budget . . .”**

Independent claim 22 recites in part “an exception module that is operable to permit outside counsel to request to modify the budget when a task outside of the budget arises, said in-house counsel being operable to deny said request, if the request is approved, the budget is revised. The Examiner asserted that Bedell anticipates the foregoing recitation in its of imposing “budgetary constraints” on “litigation or legal billing.” (Final Office Action, page 17, quoting Bedell, Abstract.) In fact, as discussed above with respect to claim 1, Bedell does not teach or suggest any “exceptions module” at all, much less “an exceptions module that is operable to permit outside counsel to request to modify the budget.” Indeed, the portion of Bedell cited by the Examiner clearly states no more than that “[f]inancial expectations (in the form of budget guidelines) . . . can be continuously kept in mind.” (Bedell, Abstract.) That is, Bedell teaches no more than the ability to monitor conformance to a budget, but provides no teaching or suggestion at all of “an exceptions module,” much less “an exceptions module that is operable to permit outside counsel to request to modify the budget.” For least these further reasons, the rejection of claim 22 should be reversed

**E. Independent Claim 23 (Ground of Rejection No. 1)**

Independent claim 23 is not at issue in this appeal. However, Appellants are not conceding that claim 23 is anticipated by Bedell. The Notice of Non-Compliant Appeal Brief dated February 3, 2009, rejected the Appeal Brief filed August 17, 2007, because the “Summary of Claimed Subject Matter” appearing in the Appeal Brief was allegedly deficient for failing to address independent claim 23. However, independent claim 23 was not involved in the appeal, and was therefore not required to be included in the “Summary of Claimed Subject Matter” under 37 C.F.R. 41.37(c)(1)(v). However, in an effort to facilitate the appeal, Appellants have amended the “Summary of Claimed Subject Matter” to address independent claim 23. This discussion of claim 23 has been included in the Argument section merely to note that claim 23 is not at issue in this appeal, but appears in the “Summary of Claimed Subject Matter” to address the concerns expressed in the Notice of Non-Compliant Appeal Brief dated February 3, 2009.

**F. Independent Claim 26 (Ground of Rejection No. 1)****1. Claim 26: “corporate counsel generating an actual working budget based on defaults and price variables”**

Independent claim 26 recites in part “corporate counsel generating an actual working budget based on defaults and price variables.” The Examiner asserted that Bedell anticipates the foregoing recitation in its of imposing “budgetary constraints” on “litigation or legal billing.” (Final Office Action, page 24, quoting Bedell, Abstract.) The portion of Bedell cited by the Examiner clearly states no more than that “[f]inancial expectations (in the form of budget guidelines) . . . can be continuously kept in mind.” (Bedell, Abstract.) Bedell includes absolutely no teaching or suggestion of “corporate counsel generating an actual working budget,” much less that such budget is “based on defaults and price variables.”

In fact, to the extent that Bedell contemplates a budgeting process, as noted above, Bedell clearly suggests that such budgeting process is carried out by law firm counsel, and not corporate counsel. For example, Bedell teaches that “most carriers and/or clients prefer to have an overall estimate of the legal fees the firm estimates will be incurred.” (Bedell, column 20, lines 47-49; emphasis added.) Thus, Bedell teaches that it is desirable to have law firm counsel generate any budgeting information, and therefore teaches against “corporate counsel generating an actual working budget.”

Further, as noted above, Bedell does not teach or suggest any budgeting “based on defaults and price variables.” In fact, as discussed above, Bedell discloses no more than an “Estimated Fees box” that “allows the user to supply an estimate of the amount of fees that will result from completing [the] entire work product.” (Bedell, column 27, lines 54-56.)

For least the foregoing reasons, the rejection of claim 26 should be reversed.

**2. Claim 26: “the law firm electronically requesting exceptions . . .”**

Independent claim 22 recites in part “the law firm electronically requesting exceptions when a task is outside of the agreed-upon actual budget, said corporate counsel either accepting or rejecting the exceptions. The Examiner asserted that Bedell anticipates the foregoing recitation in its of imposing “budgetary constraints” on “litigation or legal billing.” (Final Office Action, page 24, quoting Bedell, Abstract.) However, the portion of Bedell cited by the Examiner clearly states no more than that “[f]inancial expectations (in the form of budget guidelines) . . . can be continuously

kept in mind.” (Bedell, Abstract.) As discussed above, Bedell includes absolutely no teaching or suggestion of any mechanism for “requesting exceptions.”

For least the foregoing further reasons, the rejection of claim 26 should be reversed.

**CONCLUSION**

In view of the foregoing arguments, Appellants respectfully submit that the pending claims are novel over the cited references. The Examiner's rejections of all pending claims are improper because the prior art of record does not teach or suggest each and every element of the claimed invention. In view of the above analysis, a reversal of the rejections of record is respectfully requested of this Honorable Board.

It is believed that any fees associated with the filing of this paper are identified in an accompanying transmittal. However, if any additional fees are required, they may be charged to Deposit Account 18-0013, under Order No. 66735-0001, from which the undersigned is authorized to draw. To the extent necessary, a petition for extension of time under 37 C.F.R. 1.136(a) is hereby made, the fee for which should be charged against the aforementioned account.

Dated: March 2, 2009

Respectfully submitted,

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### **VIII. CLAIMS APPENDIX**

The following claims are the subject of the present appeal:

1. A computer based method that allows a client to control and manage the cost of a lawsuit independent of hourly rates comprising the steps of:

a) selecting pre-established process maps each consisting of individual tasks to be done in the lawsuit;

b) setting pricing and value variables for each individual task to be done which eliminates hourly rates in said method;

c) the client establishing a lawsuit budget by individual task which an outside counsel must follow;

d) providing a case status module with real time information on how the lawsuit is proceeding based upon individual task performed;

e) providing a point and click billing module for automatically submitting invoices to the client, the invoices having amounts that equal the value variables for individual tasks that have been pre-established and performed; and

f) providing an exceptions module to allow for automatic approval or denial of new work submitted by outside counsel to be done that is beyond the budget.

2. The method as claimed in claim 1, further comprising the step of providing statistical reporting to the client, whereby data is stored and statistical information is generated using the data on all outside counsel for exact task cost comparison.

3. The method claimed in claim 1, wherein the step of selecting process maps includes selecting each anticipated task of the lawsuit and using the process maps that are in the system.

4. The method as claimed in claim 1, wherein the step of creating process maps includes identifying each individual task to be performed in the lawsuit and inputting the level of expertise of the person who will be doing each task.

5. The method as claimed in claim 1, wherein the step of setting price and value variables includes the client establishing limits for each task to be performed.

6. The method as claimed in claim 1, wherein the step of setting price and value variable includes the client inputting upper and lower control limits for each task.

7. The method as claimed in claim 1, wherein the step of setting price and value variables includes inputting into a data base firm name, location, type of case, and type of lawyer.

8. The method as claimed in claim 1, wherein the step of establishing a budget includes the client generating values for each individual task, the client electronically submitting the budget to outside counsel, and the outside counsel either accepting or rejecting the budget by a submission back to the client.

9. The method as claimed in claim 8, wherein the step of rejecting the budget includes allowing outside counsel to generate a counterproposal budget by adjusting the individual tasks and electronically submit same to the client.

10. The method as claimed in claim 1, wherein the step of providing a case status module includes providing a client with current information on status of a particular lawsuit by transmission of such information over the internet.

11. The method as claimed in claim 1, wherein the step of providing a point and click billing module includes inputting the work that has been completed into a computer by clicking an ABA code representative of the work area completed, clicking on the specific pre-approved task that has been performed, clicking on a tab to bill it, and automatically sending a bill via internet to a client.

12. The method as claimed in claim 1, wherein the step of providing a point and click billing module includes electronically sending a pre-approved non-hourly based bill to a customer once the

task has been completed, and the client electronically or manually causing payment to outside counsel.

13. The method as claimed in claim 1, wherein the step of providing a point and click billing module includes requiring a firm to electronically bill a customer once a pre-approved task is performed.

14. The method as claimed in claim 1, wherein the step of providing an exceptions module includes allowing outside counsel to electronically submit requests for approval of new work that is not in the actual budget, and allowing a client to approve, modify or reject the request.

15. The method as claimed in claim 1, wherein the step of providing an exceptions module includes outside counsel submitting a request for new work, and approving the request if it is within a previously set default pricing variable.

16. The method as claimed in claim 1, wherein the step of providing an exceptions module includes allowing a client to obtain current status of prior exceptions requests.

17. The method as claimed in claim 2, wherein the step of providing statistical reporting includes graphically outputting historical information based on data that is generated by said method.

18. The method as claimed in claim 1, further comprising the step of providing incentives for exceptional performance by outside counsel, electronically notifying outside counsel of the exceptional performance, and compensating outside counsel.

19. A client controlled computer based litigation cost management system that is not hourly based comprising:



a module operable for inputting data for establishing an actual budget, said module including a feature for inputting values to each task, and a feature for inputting the level of expertise to be used on each task;

a module for statistically reporting each task to the client to verify if it is in control; and,  
an exceptions module that is controlled by the client for accommodating alterations to the budget.

20. The computer based cost management system as claimed in claim 19, further comprising a module for electronically billing a client based on pre-determined task cost and receiving automatic approval and payment.

21. A client controlled litigation cost management system comprising:

a module that maps out in detail the tasks, decision points and litigation variables for the process of litigation;

a module for assigning dollar values to each task of the process;

a module for inputting pre-approved dollar values for each task to be charged by counsel;

and

a module for imputing other information.

22. A cost control and management system for assisting in-house counsel in reducing litigation cost comprising:

a real time analysis module that is operable to inform in-house counsel in reducing litigation cost;

a real time budget and cost to complete module that is created by in-house counsel: and

an exception module that is operable to permit outside counsel to request to modify the budget when a task outside of the budget arises, said in-house counsel being operable to deny said request, if the request is approved, the budget is revised.

23. A point and click litigation cost management system that is created and then controlled by a customer comprising:

an input module for entering work that has been completed by a firm and generating an invoice;

a transfer device for communicating the invoice to the customer;

a processing department operated by the customer that is operable to receive the invoice from the transfer device; and

a means for transmitting payment information to a firm.

24. The cost management system as claimed in claim 23, further comprising a means for providing exceptions requests to the budget through electronic submission by the firm to the customer.

25. The cost management system as claimed in claim 24, further comprising a module for tracking each exception that is requested, so as to make decisions based on a litigation process that is consistent for all outside law firms.

26. A system of a law firm and corporate counsel managing the cost of litigation for a case comprising:

the corporate counsel generating an actual working budget based on defaults and price variables;

the actual budget being electronically submitted to a law firm;

the budget being approved, rejected or modified by the law firm;

the case proceeding based upon an agreed upon budget; and

the law firm electronically requesting exceptions when a task is outside of the agreed upon actual budget, said corporate counsel either accepting or rejecting the exceptions.

**IX. EVIDENCE APPENDIX**

Not applicable – no evidence pursuant to §§ 1.130, 1.131, or 1.132, or entered by or relied upon by the Examiner, is present in the record of this application.

**X. RELATED PROCEEDINGS APPENDIX**

Not applicable – no related proceedings are referenced herein.